

June 28, 2013

To: Executive Board

Subject: **Fiscal Year 2013 Management Contractor Incentive Payment**

Recommendation

Authorize an incentive payment in the amount of \$33,000 to Veolia Transportation for their efforts on behalf of Foothill Transit during Fiscal Year 2013.

Analysis

Section 4.1 of the management services agreement between Foothill Transit and Veolia provides for the payment of an extraordinary performance bonus of up to \$100,000 annually. This amount shall be paid at the sole discretion of the Executive Board and shall not be added to the base compensation of Veolia Transportation for the ongoing management services that Veolia Transportation provides.

Attached is correspondence from Mr. Ken Westbrook, Chief Operating Officer for Veolia Transportation, which outlines the work that Veolia Transportation performed for Foothill Transit which might warrant consideration of such a bonus or incentive payment (Attachment A). Mr. Westbrook notes a number of items. In light of the recent changes to the way the agency is staffing its management and administrative functions, it would be appropriate to focus on the activities at the Transit Stores and Bus Stop/Facilities teams. Both areas continue to perform strongly and provide good value to Foothill Transit's customers.

Please note that Mr. Westbrook indicates in his letter that any incentive payment would be focused on enhancing programs for the Veolia Transportation employees assigned to serve Foothill Transit. This would include only the Transit Store and Bus Stop/Facilities staff members as these will be the only employees serving the organization.

Budget Impact

Funding is available in the Fiscal Year 2013 operating budget for this incentive payment.

Sincerely,



Doran J. Barnes
Executive Director

June 20, 2013

Attachment A

Doug Tessitor, Chair
Foothill Transit
100 S. Vincent Ave., Suite 200
West Covina, CA 91790

Re: Fiscal Year 2013 Incentive Payment

Dear Chair Tessitor:

The management services agreement between Foothill Transit and Veolia Transportation includes the opportunity for an incentive payment. This payment may be awarded at the sole discretion of the Executive Board in an amount up to \$100,000. The purpose of this letter is to seek your consideration of award of this incentive payment for fiscal year 2013.

Foothill Transit's key performance indicators provide a solid overview of the performance of the organization. We are pleased to report that during fiscal year 2013, Foothill Transit is well on track to achieve seven of nine key performance indicators. The achievement of the key performance indicators is a measurable method of determining the accomplishment of the organization's mission. Overall, our team has collectively worked very hard to accomplish these results on behalf of Foothill Transit.

Fiscal year 2013 has been another exciting year for the Foothill Transit management team and Veolia Transportation is happy to have contributed to this success. Just a few of the notable projects that we have managed on behalf of the agency include:

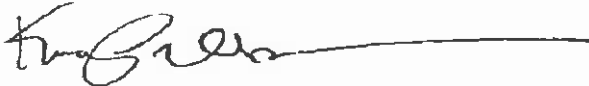
- Beginning construction on Foothill Transit's first agency-owned Park & Ride facility in the City of Industry
- Achieving ISO 14001 certification at your Arcadia Operations and Maintenance facility
- Successfully negotiating a Memorandum of Understanding with Mount San Antonio College - one of the largest community colleges in the country - to initiate an innovative student ridership program
- Laying the groundwork for the Fall 2013 launch of another college-wide ridership program with the University of La Verne
- Significantly increased customer access to in-person and telephone customer service over the prior year while maintaining hold time under 45 seconds
- Successfully transitioned Transit Store operations to the new El Monte Station location
- Provided in-person customer service in support of the Silver 2 Silver program launch

June 20, 2013
Doug Tessitor, Chair
Page Two

In light of these accomplishments, we respectfully request your consideration of a one-time incentive payment that is appropriate given our level of effort and accomplishments. If approved by the Executive Board, Veolia Transportation will use any funds provided to enhance programs for our employees assigned to the Foothill Transit contract and recognize their efforts.

Thank you for your consideration and for the opportunity to serve Foothill Transit. If you have any questions regarding this request, please contact me at (630) 382-1120.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Westbrook', followed by a long horizontal line.

Ken Westbrook
Chief Operating Officer

cc: Doran J. Barnes
D. Pieper
K. Ooms